IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of: Sexton, Frank M. et al.	)	Attorney Docket No. 103
Application No.: 09/775,273	)	
Filed: February 1, 2001	)	
For: METHOD AND SYSTEM FOR DISPROPORTIONAL ALLOCATION OF MULTI-RISK INSURANCE POLICY	)	
Examiner: Koppikar, Vivek D.	)	
Art Unit: 3626	)	
Confirmation No.: 7225	)	

REMARKS

New claim 12 has been added to the application and claims 2, 4, 8, 10 and 11 have been cancelled.

Claims 1, 3, 5-7, 9 and 12 are now in the application.

Claims 1, 3, 5-7 are rejected under section 103(a) as being unpatentable over Sexton et al. Patent No. 5,752,236 ("Sexton") in view of McCoy, an article entitled "Auto-Homeowners Packages Look Like A Winner" ("McCoy"). Applicants respectfully traverse the rejection.

Applicants have argued concerning the teachings of McCoy in a previous response. In response, in paragraph 5(A) on page 3 of the last Office Action, it is stated that:

> "McCoy suggests combining 'homeowners and auto coverages'. Since McCoy uses the plural forms of these words, the examiner takes the position that an insurance client could combine more than one of each of these types of insurance to form a packaged policy. Therefore, the examiner takes the position that McCoy does in fact teach forming a prototype or package policy of three or more insurance coverages."

Under section 103 there must be some suggestion in the cited references to combine their teachings and when combined, the cited references must teach or suggest all the claim limitations. (MPEP 2142 *et. seq.*) The teaching of McCoy is very limited.

McCoy teaches a better method of selling insurance by packaging existing or standard insurance contracts together and selling them at one time to one client. Selling efficiencies are enhanced (saves the time of an insurance agent); it has been found that clients retain the packaged contracts longer and, therefore, pay premiums for a longer time; and clients buy more insurance at one time. There is absolutely no teaching or even a suggestion that there is a new contract constructed, then a division of obligations and benefits of that newly constructed contract, and then the formation of further new contracts that must be tested against qualifying government regulation.

McCoy does not relate to "prototype" or "tentative" contracts in the sense of any uncertainty with the contract. Hence, even though there may only be "one contract" of insurance with multiple coverages being sold, there is no reconstruction or alteration of the coverages. There is merely a combination of those coverages. Applicants on the other hand create new contracts because their goal is to shift financial burdens between two or more people or entities.

A chemistry analogy illustrating the difference in teachings between McCoy and the applicants would be a comparison between a "mixture of two components" and a "chemical reaction of two components." In the first, the components retain their own properties and can be easily separated again. In the second, there is a chemical transformation of the components to form a new creation with its own properties and those properties differ from the properties of either original component.

McCoy's motivation is sales efficiency, not tax advantage, so that he does different things to his coverages. Hence, there is no "motivation" to combine McCoy with Sexton, except the teachings of the application.

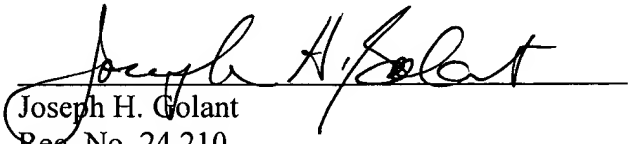
An additional contention is that even if combined, McCoy and Sexton do not meet the claims because they do not teach creating a "new single prototype" multiple coverage contract which is tentative, then reconstructing or chemically reacting that single prototype by "disproportionately allocating benefits and obligations. . .into. . .two new proposed insurance contracts (which are) separate but related" and then "testing said new proposed insurance contracts against regulatory requirements."

In conclusion, applicants contend first, that there is nothing in either cited reference to suggest combining their teachings, and second, even if combined, the claim limitations are not met.

In view of the above amendments and contentions, the Examiner is respectfully requested to reconsider the remaining claims and indicate allowance.

Dated: May 17, 2005

Respectfully submitted,



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